

LABOR MARKET



UTAH FACTS



LABOR MARKET

PRODUCTIVE WORK FORCE

One of the most significant advantages Utah offers employers is the quality of its work force. CEOs of major companies, which have relocated to Utah during the past several years, report productivity advantages of 25% to 30% at their Utah facilities.

In Utah, employers benefit from a strong work ethic and well-educated workers. Utah is fourth in the nation in percentage of adults who have completed high school. The state also has a high literacy rate.

Furthermore, Utah has the youngest labor force of any state, and its workers are among the healthiest. The state has the lowest death rate for cancer and second lowest rate for heart disease. Major employers often note the low absenteeism of their Utah workforce.

Due to Utah's high birth rate, employers also benefit from a labor supply that will continue to grow at more than twice the national average rate. Utah is one of only a few states in the country with a growing indigenous labor force.

Utah is one of 21 states with a right-to-work law. Under the Utah provision, no individual seeking or holding a job in the state may be forced to join or pay dues to a labor union. Union membership is low in Utah, with 5.5% of manufacturing employees affiliating with unions, compared to the national average of 18%.

Although most of Utah's employment is concentrated in the metropolitan areas, many industries have discovered the competitive advantages of the state's non-metropolitan areas. The fringe benefits of living in smaller communities include greater opportunities for community involvement, a less hectic pace, and swift access to Utah's scenic and recreation areas.

LABOR MARKET HIGHLIGHTS

The pool of young workers is projected to increase by 60% by the year 2020.

Utah is a right-to-work state, with 5.5% of manufacturing employees affiliated with unions. ⁴

At 8,500+ employees, Convergys Marketing is the largest private employer (excluding educational institutions). ²

In 1999 Utah ranked 6th in the national in annual job growth – 2.8%. ⁵

AVERAGE NUMBER OF EMPLOYEES
ON NON-AGRICULTURAL PAYROLLS
BY MAJOR INDUSTRY GROUP
SELECTED YEARS, 1980-1999

TABLE 1

Year	Mining	Constr.	Manuf.	Trans. Comm. & Utilit.	Trade	Finance Insurance & Real Est.	Services	Govt.	TOTAL
1980	18,500	31,549	87,700	34,120	128,678	25,768	100,528	125,046	551,889
1985	9,738	35,510	93,999	37,013	147,920	31,059	131,342	137,806	624,387
1990	8,602	27,836	107,096	42,274	172,385	34,136	180,750	150,550	723,629
1991	8,596	31,528	105,733	42,421	178,753	35,852	188,360	153,959	745,202
1992	8,487	34,902	106,242	43,870	184,439	37,307	196,413	156,940	768,600
1993	8,320	39,715	110,457	47,071	191,473	41,439	211,816	159,440	809,731
1994	8,309	48,186	116,627	49,353	205,429	45,917	224,371	161,434	859,626
1995	8,112	54,791	123,859	51,489	220,019	47,674	238,276	163,666	907,886
1996	8,000	60,300	129,400	54,000	230,400	50,500	255,500	166,500	954,300
1997	8,297	60,283	132,856	55,995	238,290	52,575	269,680	171,836	993,999
1998	8,044	68,253	133,400	58,442	244,046	55,263	280,366	175,646	1,023,460
1999	7,762	72,214	132,203	59,411	248,212	56,637	293,506	178,553	1,048,498
2000 ^P	8,000	72,200	131,000	60,800	252,000	57,300	310,200	184,100	1,075,600

Sources: Utah Dept. of Workforce Services, and Economic Report to the Governor, January 2001.

(P): preliminary

LABOR MARKET: SIZE AND SUPPLY

In 2000, Utah's favorable labor market attracted a number of workers from out of state. The 2000 Utah unemployment rate was 3.3%, which fell from 1999's rate of 3.7%.

The state's total non-agricultural labor force in 2000 was estimated to be just over 1,000,000, Table 1.

Demographers predict that non-farm payroll employment for Utah will increase from 1,075,600 in 2000 to almost 1.8 million in 2030; an increase of 722,000 jobs over the projections period. The pool of young workers is projected to grow 60% by the year 2020, guaranteeing Utah the youngest labor force in the nation during that entire time.

Continuing a trend of several years, Utah's services sector saw the largest growth rate in jobs with an increase of 5.7%, amounting to some 16,700 net new jobs in 2000. Most industries in the services sector saw moderate growth, however computer services saw double digit expansion at nearly 3,000 jobs. The services sector produced over 60% of the state's overall net job growth of approximately 27,100 positions. In terms of employment, the services, trade and government sectors dominate Utah's economy with almost 70% of the work force, Tables 1 and 2.

For Utah's construction industry, 1999 marked the 11th consecutive year of healthy growth. About 4,750 net new jobs were created in this industry in 1999. The major reconstruction project of I-15 through the Salt Lake Valley largely contributed to this growth.

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UTAH'S LARGEST NON-AGRICULTURAL EMPLOYERS DECEMBER 1999

TABLE 2

Firm Name	Business	Approximate Employment
State of Utah	State Government	21,500
Brigham Young University	Higher Education	16,500
Hill Air Force Base	Military Installation	16,500
University of Utah (including hospital)	Higher Education	16,000
Convergys	Telemarketing	8,500
Granite School District	Public Education	8,000
Jordan School District	Public Education	8,000
Utah State University	Higher Education	6,500
Davis County School District	Public Education	6,500
Smith's Food King	Food Store	6,500
U. S. Postal Service	Mail Distribution	6,000
Autoliv Asp (Morton Int'l)	Mfg. Vehicle Parts	5,500
Salt Lake County	Local Government	5,500
Wal-Mart Stores	Department Store	5,500
Albertson's	Food Store	5,000
Alpine School District	Public Education	5,000
Delta Airlines	Air Transportation	4,500
Novus (Discover Card)	Consumer Loans	4,500
Internal Revenue Service	Federal Government	4,000
LDS Hospital	Hospital	4,000
IHC Hospitals (partial)	Hospitals and Clinics	4,000
Salt Lake City School District	Public Education	4,000
ZCMI	Department Store	4,000
United Parcel Service	Courier Service	3,500
Cordant Technologies (Thiokol Corp.)	Aerospace Equipment Mfg.	3,500
Weber County School District	Public Education	3,500
U.S. West Communications	Telephone Service/Communications	3,000
Icon Health & Fitness	Mfg. Exercise Equipment	3,000
Salt Lake Community College	Higher Education	3,000
Salt Lake City Corporation	Local Government	3,000
Novell	Computer Equipment	3,000
Zions First National Bank	Banking	2,500
K Mart Corporation	Department Store	2,500
Weber State University	Higher Education	2,500
Utah Valley Regional Medical Center	Hospital	2,500
J.C. Penney Company	Department Store	2,500
Kelly Services	Temporary Employment Placement	2,500
Utah Valley State College	Higher Education	2,500
PacificCorp (Utah Power)	Electric Power Generation and Distrib.	2,500
First Security Bank	Banking	2,500
Kennecott Minerals	Copper Mining and Smelting	2,500
McKay-Dee Hospital	Hospital	2,000
Nebo School District	Public Education	2,000
Provo City School District	Public Education	2,000
Super Target Stores	Department Store	2,000
Primary Children's Medical Center	Hospital	2,000
Unibase Data Entry	Data Entry	2,000
Geneva Steel	Steel Manufacturing	2,000
Shopko Stores	Department Store	2,000
Washington County School District	Public Education	2,000
Fred Meyer Stores	Department Store	2,000
C R England & Sons	Trucking	2,000
R C Willey Home Furniture	Home Furnishings Store	2,000
Macey's Inc.	Food Store	2,000

Sources: Utah Department of Workforce Services, Workforce Info and Economic Report to the Governor, January 2001.



NEW FIRM OPENINGS AND EXPANSIONS 2000 AND 2001

TABLE 3

New firm openings and major expansions of existing firms
with 100 or more workers in 2000 and 2001.¹

Alorica Inc.	(call center for computers)
Brigade Corp.	(internet call center)
Buyersonline.com	(internet call center)
Center 7/ Inc.	(computer application service provider)
Cerro Copper	(copper tube manufacturer)
Convergys	(telemarketing sales and service)
Communications & Commerce Inc.	(high-tech support call center)
DLJdirect Inc.	(online brokerage call center)
eBay Inc.	(online auction call center)
Fairchild Semiconductor International Inc.	(power control chips)
First USA Paymentech	(commercial credit card)
Fresenius Medical Care	(kidney dialysis products)
Goldman Sachs	(investment call center)
Gossner Foods Inc.	(cheese plant)
Hill Air Force Base	(defense)
Ikano	(internet call and service center)
Ingenix	(health-care software/consulting)
Intel	(administrative and research personnel)
Jet Blue Airways	(reservations center)
Lineo Inc.	(Linux software for embedded devices)
Malt-O-Meal	(cereal manufacturing)
MarketStar Corp.	(marketing company)
Medicity	(physician's internet communications)
Merit Distribution Services	(trucking for Wal-Mart)
Micron Technology Inc.	(chip testing and production)
Neighborhood Box Office	(gift certificates call center)
NextPage Inc.	(computer business to business networking)
Riverstone Inc.	(internet products distribution center)
Rocky Mountain Medical Center	(hospital)
Salt Lake County Jail	(incarceration center)
Salt Lake Organizing Committee	(full/part-time Olympics staff)
SkyWest	(pilots and mechanics)
Star Bridge	(reconfigurable super computers)
STSN	(internet access to hotel rooms)
Sysco Intermountain Foods	(food distribution facility)
U.S. West	(tele-communications)
Wal-Mart	(distribution and retail)
Wells Fargo's	(banking operations and internet call center)

Source: Economic Report to the Governor, January 2001.

¹ Current as of March 1, 2001.

The emergence of Utah's solid high technology base is a prime example of a relatively new industry that has increased the state's economic diversity. According to the Utah Information Technology Association (UITA), in 1999 2,456 business enterprises comprised Utah's Information Technology vendor industry. (A Utah IT enterprise is defined as a business that is a developer, producer, manufacturer and/or seller of computer hardware, software, systems, multimedia and/or telecommunications related products and services, and that is headquartered or has operations in Utah.) Employment in the industry itself is diverse, including jobs in software, aerospace, electronic, biomedical/medical and automotive products.

Utah's work force continued its strong growth in 2000 as a booming economy added over 27,000 net new jobs. Many firms, both newcomers and longtime Utah employers, made substantial increases to their roster, Table 3.

The supply of labor is aided by the high labor force participation rate in Utah. Among males over 16, some 81.8% participated in the labor force in 2000, compared to the national average of 74.7%. Utah's female participation rate is also above the national average, 63.3% compared to 60.0% nationally.

Utah teens have the third-highest work force participation rate in the country.

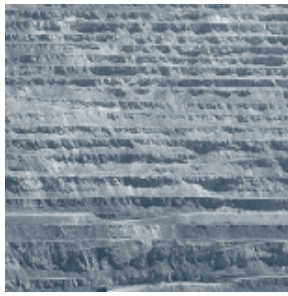
AVERAGE WEEKLY WAGES FOR
VARIOUS OCCUPATIONS
SALT LAKE-OGDEN AREA - 1999

TABLE 4

	Average Hourly Wage	Average Weekly Wage ¹
Accounting Clerk, Level I	\$10.59	\$ 423.60
Assembler, Precision, Electronic	12.45	498.00
Assembler, Repetitive, Electronic	9.42	376.80
Computer Operator	14.65	586.00
Computer Programmer, Level I	19.47	778.75
Computer Systems Analyst, Level I	23.15	926.00
Customer Service Representative, Level I	10.22	408.80
Maintenance Machinist	16.97	678.80
Maintenance Mechanic	15.56	622.40
Production Machinist	16.33	653.20
Secretary, Level I	10.68	427.20
Truck Driver, Light Local	9.87	394.80
Truck Driver, Heavy Local	13.31	532.40
Warehouseman	10.53	421.20
Welder	13.83	553.20

Source: IRC - The Employers Council, 55th Annual Survey of Wage Rate Practices, March 2000.

¹ Average weekly wage based on a 40 hour work week.



LABOR COST AND EARNINGS

Utah's average manufacturing wage rate compares favorably with the manufacturing wage rates in other Western states, Chart 1. Utah's lower manufacturing wage rate structure is also characteristic of many other occupations and industries in the state, Tables 4 and 5.

Utah's average annual pay climbed to nearly \$27,884 in 1999, up more than 3.8% from 1998, Chart 2. Among the contributing factors are the state's relatively higher percentage of women and teens in the work force, and the state's relatively low union membership.

During 2000, the average wage was expected to increase faster than inflation for the sixth consecutive year. Wages, personal income, net migration and population are all expected to show solid growth.

AVERAGE MONTHLY WAGES BY SECTOR
UTAH 1999

TABLE 5

Sector	Average Monthly Wages
Mining	\$3,845
Construction	2,362
Manufacturing	2,795
Transportation, Communication & Utilities	3,061
Retail Trade	1,741
Finance, Insurance & Real Estate	2,885
Services & Miscellaneous	2,166
Government	2,350
TOTAL NON-AGRICULTURAL	\$2,291

Source: Economic Report to the Governor, January 2001.

As measured by employment sector earnings, the most important sector in the Utah economy is services, with approx. \$7.6 billion in earnings in 1999. The government sector is second at just under \$5.0 billion, followed by the manufacturing sector with over \$4.4 billion in earnings. The services sector accounts for 27.7% of the total earnings, followed by the government sector (18.0%) and the manufacturing sector (13.1%), as shown in Table 6.

Economists approve of Utah's strong private-sector growth, which is outpacing government-sector increases two-to-one. Showing a movement away from dependence on large, monolithic employers and industries, the data support predictions that Utah's economy will remain strong and resilient.

DISTRIBUTION OF EARNINGS BY SOURCE UTAH AND UNITED STATES 1999

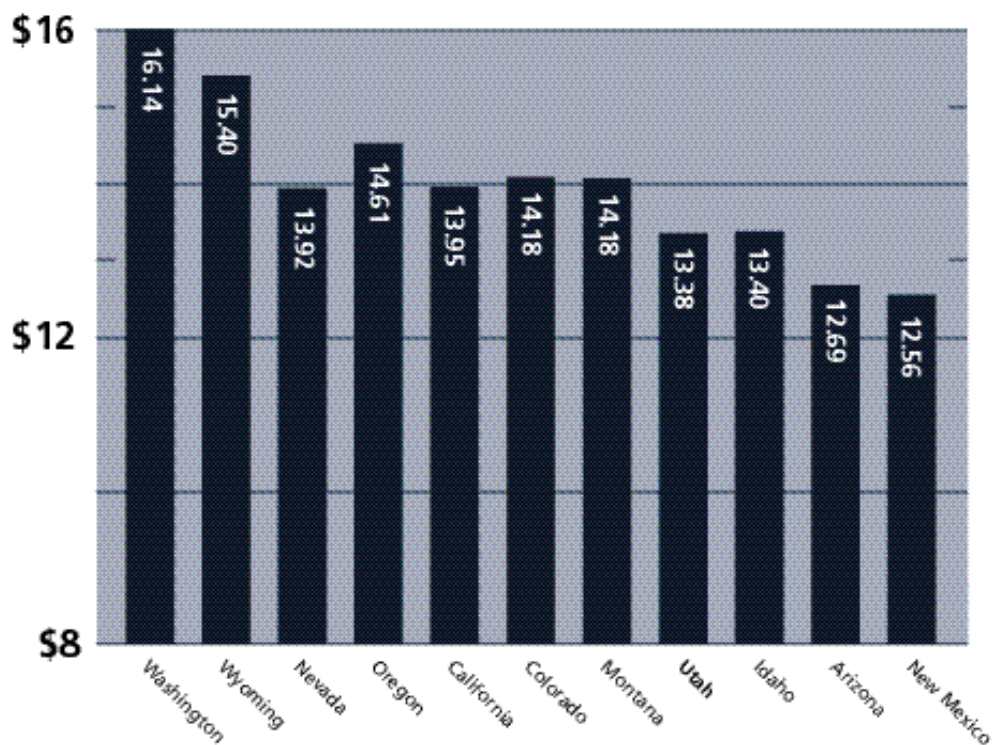
TABLE 6

Sector	Utah (%)	United States (%)
Agricultural Services, Forestry, Fisheries and Other	0.4	0.7
Mining	1.1	0.8
Construction	7.9	5.8
Manufacturing	13.1	16.1
Transportation, Communication and Public Utilities	7.2	6.7
Wholesale Trade	5.7	6.2
Retail Trade	10.5	8.9
Finance, Insurance and Real Estate	7.7	9.1
Services	27.7	28.9
Government	18.0	15.8
NON-FARM TOTAL	99.3	99.0
FARM TOTAL	0.7	1.0

Source: U. S. Department of Commerce, Bureau of Economic Analysis, State Personal Income, September 1999, Economic Report to Governor, January 2001.

AVERAGE HOURLY WAGES PRODUCTION WORKERS ON MANUFACTURING PAYROLLS WESTERN STATES, 1999

CHART 1

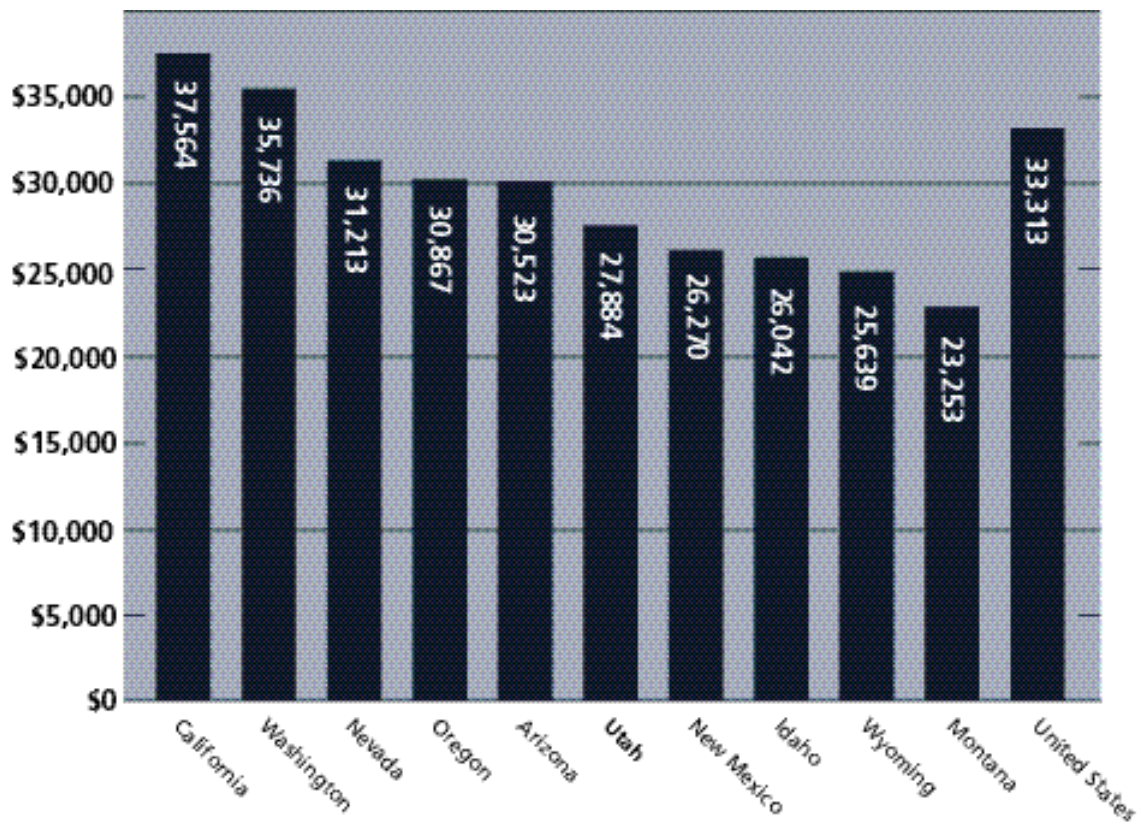


Source: U. S. Department of Labor, Bureau of Labor Statistics, State Manufacturing Average Hourly Earnings, Not Seasonally Adjusted, Annual Average for 1999.



AVERAGE ANNUAL PAY
WESTERN STATES
1999

CHART 2



Source: US Bureau of labor statistics, Average Annual Pay by State and Industry, 1999.